

Assessment Bulletin

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ASSET News

ASSET Funding



344 municipalities
have met the
requirements for
ASSET funding.

The Alberta Association of Municipal Districts and Counties and the Alberta Urban Municipalities Association have been advised which municipalities have submitted annual assessment and indicator of value data loads and Certificates of Completion so that ASSET funding can be released.

Municipalities that belong to both municipal associations, or do not belong to either association will receive a cheque for half of their eligible funding from each association.

2004 Annual Assessment Audit Process

2004 is a transition year for municipalities and their assessors, and the department. For the Assessment Audit Branch of Alberta Municipal Affairs, work on the annual audit process is underway.

As in previous years, the 2004 annual assessment audit process is occurring after assessment rolls have been prepared. Accordingly, all of the data submissions will be reviewed to determine whether the information provided by the assessor meets the reporting and recording criteria. As has been the practice in a post assessment roll audit when an error or omission is discovered, the auditor will contact the municipality's assessor.

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While the implementation of ASSET has led to a number of changes in practices and procedures, such as the electronic submission of both the annual return and indicator of value data and the requirement to assign provincial standard actual use codes to each assessment account, the post assessment roll audit process remains relatively unchanged.

Following is an overview of some of the steps in the post assessment roll audit process that will be used as a result of the implementation of ASSET.

Auditor Review – Completeness and Accuracy

The auditor will review the load count report in the completeness and accuracy test to determine whether all records have been successfully loaded.

If the load count report indicates that all records were **NOT** successfully loaded, as shown below, the auditor will request that the assessor review and correct the municipality's submission.

Audit Submission Type	Audit Submission Label	Submission Date	Records Received	Records Loaded	Not Loaded	Errors
ANN	ANN LOAD 2	23MAR2004:00:00:00	10,021	10,0000	21	Loading Errors
IOV	IOV LOAD 1	22FEB2004:00:00:00	2,861	2,852	9	Loading Errors

Another item the auditor will review is the Reconciliation of adjusted sale price with the sale price, as shown below.

Municipal Roll Number	Certificate of Title	Price	Adjusted Price	Calculated Adjustment Amount	Reported Adjustment Amount
012030	002375677	\$60,000	\$20,322	\$-39,678	\$-36,260
023100	012033263	\$111,900	\$7,875	\$-104,025	\$-95,908

Auditor Review – Quality Standards

The annual audit ratio study report will show any median assessment ratios that fall outside of the standard range (0.950 to 1.050) and outside of the coefficient of dispersion (COD) standard.

Actual Use Group Description	Value Range of Sales	Value Range Strata	NBR of IOV Used	Median Assessment Ratio	Quality Standard Results
IND_VIND - Industrial & Vacant Industrial	\$125,000 to \$1,272,600	VR1-6	19	0.937	Below
RC - Residential Condominium	\$56,000 to \$96,000	VR1-2	33	1.010	Meets
RC - Residential Condominium	\$86,500 to \$138,000	VR3	31	0.912	Below
RC - Residential Condominium	\$116,800 to \$166,000	VR4	51	0.996	Meets

The report will also show any strata that have a small sample size or low COD. For example, when a stratum has a small sample size, the assessor can consider increasing sample sizes by reconsidering the properties that were excluded from the analysis, and by adding listings, offers to purchase or independent appraisals, as described in section 3.1.1 of the Reporting and Recording Information for Assessment Audit and Equalized Assessment Manual.

The ASSET system flags any strata with a COD of less than 5.0. Although there are valid reasons for a low COD, the flag is an indicator to review the information as a guard against selective reappraisals (sales chasing).

Actual Use Group Description	Value Range of Sales	Value Range Strata	NBR of IOV Used	COD	Quality Standard Results	Audit Flag
RC - Residential Condominium	\$116,800 to \$166,000	VR4	51	3.7	Meets	Low COD
RET_LOD_OFF - Commercial - Retail & Office & Lodging	\$123,269 to \$2,060,000	VR1-6	9	8.4	Meets	Small sample
SFD_MF - Single Family Dwellings & Multi-Family	\$132,885 to \$200,000	VR3	205	4.8	Meets	Low COD

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Follow up to the auditor's review

The audit review process will assist your municipality's assessor with identifying and correcting any submission errors.

If you have any questions or concerns regarding this year's annual submissions, please do not hesitate to contact:

Brian Ferguson at
(780) 422-8396, or

John Scott at
(780) 422-8415.

The auditor will provide the municipality and its assessor with a report of the findings of the 2004 annual audit review so that the municipality's data submissions can be checked and corrected, if necessary, as they will be used for preparing equalized assessments.

The report will show the assessor and the municipality where the standards have not been met, and where the assessor needs to take corrective action when preparing the next year's assessment roll and data submissions.

For 2004, when an assessor reconciles the findings of the audit report, and the municipality's submission still does not meet the quality standards, the auditor may complete stage 1 up to the point of advising the assessor to submit the annual declaration according to section 2.5(c) of the Alberta Assessment Quality Minister's Guidelines. Upon receiving the declaration, the auditor will proceed to stage 2 of the annual audit process.

2004 Annual Assessment Audit Process – Stage 2

Following the annual audit stage 1, the auditor will perform the annual audit stage 2 to determine whether the following conditions have been met:

- a) there is no known contravention of Part 9 of the Municipal Government Act or the Matters Related to Assessment and Taxation Regulation;
- b) the municipality has incorporated the recommendations of a detailed audit in its annual submission; and
- c) an inspection initiated under section 571 of the Act will not affect the audit information.

Stage 2 is complete when an auditor is of the opinion that the conditions of the annual audit stage 2 are satisfied. The notification subscribers* will receive an e-mail indicating the status of the stage 2 audit, on its completion.

Further Review

Throughout the annual audit process, when an auditor is of the opinion that a further review of the data submissions is required, for any matter, the auditor may recommend that a detailed assessment audit be conducted.

*Note: Notification subscribers are ASSET users that have checked off the Annual Audit Ratio Study event and the Completeness and Accuracy Report event in the milenet notification configuration screen.

